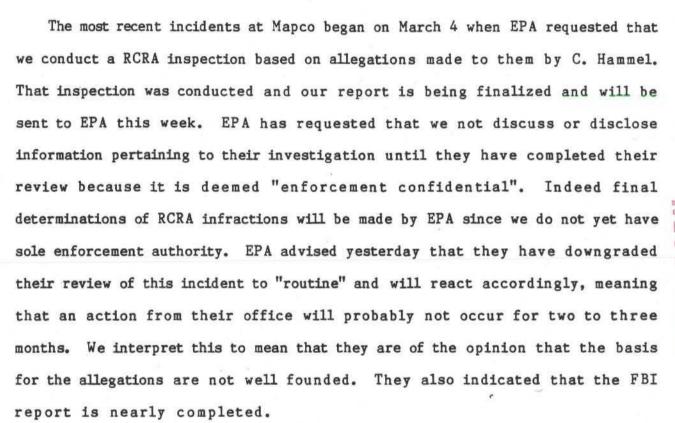
MAPCO UPDATE

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March 18, 1987



Our actions in the interim are to continue to support their investigation by responding to any requests they may have for additional information as well as investigating any further allegations.

Mr. Hammel has brought forth his allegations to the press, TAPS' owners, Mayor of North Pole, Alyeska, EPA, congressman, FBI and numerous others. list of allegations is never ending and they take a new tack each time we speak with him. His approach is accusatory, abusive, obnoxious and threatening. He has now stated that he will bring criminal charges or investigations of one kind or another against ADEC on at least three different occasions, for assorted vagaries. Never-the-less, we have continued to respond

to his demands in attempt to sort out any statements that may have basis in fact such that a followup can be made. Our response to his requests have been recorded and are a matter of record, the detail of which transcends the extent of this update. Suffice it to say that it is his opinion that we are in collusion with Mapco and have whitewashed the inspection.

Mapco in the meantime has shipped off one truck load of drums from the facility since the inspection with the knowledge of ADEC and concurrence from EPA. This was a "legal" load and is bound for a licensed TSD facility in Oregon. They are also re-staging drummed products on site and have otherwise discontinued any disposal activities with the exception of some crude oil resid samples which were being purged on Monday. We requested that they discontinue this activity until they had EPA approval which they subsequently advised that they would.

Other allegations have been made about buried materials in the pad behind the facility. We have advised Mapco, verbally at this point, that the suspected areas would be required by ADEC to be sampled and tested to verify the allegation if EPA did not include it within the scope of their investigation. We anticipate that this would occur after breakup.

A main concern of the press has been whether or not there is a pipeline integrity problem caused by whatever Mapco has introduced into the pipeline. The TAPS' owners have also indicated a very high level of concern in the press although they have not to our knowledge approached either ADEC or EPA to inquire about what was going on. Pipeline integrity problems are not something within our purview. Indeed only EPA can determine whether or not introduction of materials into the pipeline constitute "disposal" under RCRA. In fact, we suspect that it's probably beyond EPA's ability to evaluate the effect of any such activity on pipeline integrity. An evaluation would have to come from

those best equipped with the expertise to do it... and that would be Alyeska and the TAPS' owners. It is our opinion that Mapco and the TAPS' owners would resolve any pipeline integrity issues on their own and suspect that their contracts cover the issue sufficiently. Effects on pipeline integrity are also separate and apart from any toxic effects that may result in Valdez Bay should the materials pass through in the water fraction via the Ballast Water Treatment facility.

Other information has been received that alleges that the North Slope Producers are also carefully reviewing what they may be introducing into the crude flow at their production facilities and flow stations at Prudhoe.

Mapco also has a wastewater disposal problem which we are evaluating. They currently have three million gallons of oily wastewater stockpiled on site that they would like to put in North Pole's wastewater lagoons. We are requiring that they go through plan review, develop a material balance, and characterize the wastes so that we can evaluate the effects on the North Pole Plant and determine what permit modifications will be needed, if indeed the waste will be compatible. This is being done in coordination with EPA Region X and the City of North Pole. Mapco has been negligent in developing a satisfactory solution to their wastewater disposal problem. They have been using secondary containment areas to store the wastewater and the situation will get worse as breakup approaches.

An unreported spill recently occurred when the wastewater in the containment area leaked through a casing which penetrates the dike wall because of a faulty boot. Followup enforcement action on this is pending.

As a matter of policy, all visits to the refinery are currently being made with two representatives.

LD/tss/rg cc: K. Kelton, Juneau B. Martin, Anchorage